

1  
2  
3  
4  
5 UNITED STATES DISTRICT COURT  
6 Northern District of California  
77 GERALDINE P. SUELEN  
8 Plaintiff,  
9 v.  
10No. C-13-002 MEJ  
11**ORDER REMANDING CASE**  
1213 WELL'S FARGO BANK, N.A.; GOLDEN  
14 WEST SAVINGS ASSOCIATION SERVICE,  
15 CO., A CALIFORNIA CORPORATION; CAL-  
16 WESTERN RECONVEYANCE  
17 CORPORATION, et al.,  
18Defendants.  
19 \_\_\_\_\_ /  
20**I. INTRODUCTION**  
2122 Plaintiff Geraldine Suelen filed suit against Defendants Wells Fargo Bank, N.A. ("Wells  
23 Fargo"), Golden West Savings Association Service, Co. ("Golden West"), and Cal-Western  
24 Reconveyance Corporation ("Cal-Western") in Contra Costa County Superior Court for alleged  
25 misconduct relating to the foreclosure on her property. Not. of Rem. at 2, Dkt. No. 1. Wells Fargo  
and Golden West removed the action to this Court based on diversity of citizenship, pursuant to 28  
U.S.C. § 1332. *Id.* at 1-2. Now pending before the Court are Wells Fargo and Golden West's  
Motion to Dismiss and Ms. Suelen's Motion to Remand. Dkt. Nos. 8, 11. Upon consideration of the  
papers submitted, the Court **REMANDS** the action back to Contra Costa County Superior Court  
because the Court lacks subject-matter jurisdiction over it.<sup>1</sup>26  
27 \_\_\_\_\_  
28 <sup>1</sup> Pursuant to this District's Civil Local Rule 7-1(b), the Court finds this matter suitable for  
determination without oral argument.

## II. BACKGROUND

The relevant facts are taken from Ms. Suelen's Complaint and certain public records of which the Court takes judicial notice.<sup>2</sup> This action arises out of a residential home loan for a

2

Wells Fargo and Golden West ask the Court to take judicial notice of the following documents: (1) a letter, dated November 19, 2007, from Nicholas Dyer, Assistant Regional Director, Office of Thrift Supervision to John Stoker, Vice President and Assistant General Counsel, Wachovia Corporation confirming that World Savings Bank changed its name to Wachovia Mortgage, FSB; (2) an official certification of the Comptroller of the Currency confirming Wachovia Mortgage, FSB's conversion to a national bank with the name Wells Fargo Bank Southwest, N.A., and Wells Fargo Bank Southwest, N.A.'s merging with and into Wells Fargo Bank, N.A.; (3) a Chapter 7 bankruptcy petition filed on July 6, 2010 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 10-48053; (4) an order granting motion for relief from automatic stay entered on October 21, 2010 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 10-48053; (5) an order of dismissal entered on November 4, 2010 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 10-48053; (6) a Chapter 7 bankruptcy petition filed on December 3, 2010 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 10-73926; (7) an amended summary of schedules filed on December 8, 2010 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 10-73926; (8) an order granting motion for relief from automatic stay entered on April 4, 2011 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 10-73926; (9) a discharge of debtor entered on March 15, 2011 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 10-73926; (10) a notice of trustee sale, dated July 19, 2011 and recorded in the official records of the Office of the Contra Costa County Recorder on July 25, 2011 and identified as Document No. 2011-0145937-00; (11) a Chapter 13 bankruptcy petition filed on November 23, 2011 in the United States Bankruptcy Court, Eastern District of California and identified as Case No. 11-72360; (12) an order of dismissal entered on December 20, 2011 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 11-72360; (13) a Chapter 13 bankruptcy petition filed on February 6, 2012 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 12-41086; (14) an order of dismissal entered on February 23, 2012 in the United States Bankruptcy Court, Northern District of California and identified as Case No. 12-41086; (15) a Chapter 13 bankruptcy petition filed on March 21, 2012 in the United State Bankruptcy Court, Northern District of California and identified as Case No. 12-42498; (16) an order dismissing the case prior to confirmation with a 6 month bar to refiling in the United States Bankruptcy Court, Northern District of California identified as Case No. 12-42498; (17) a trustee's deed upon sale, dated August 7, 2012 and recorded in the official records of the Office of the Contra Costa County Recorder on August 9, 2012 as Document No. 2012-0191931-00; and (18) a notice of voluntary dismissal filed on November 8, 2012 in the United States District Court, Northern District of California and identified as Case No. 3:12-cv-05219-JSW. Dkt. No. 9.

The Court may take judicial notice of matters of public record. *Lee v. City of L.A.*, 250 F.3d 668, 689 (9th Cir. 2001); see Fed.R.Civ.P. 201(d). The Court can take judicial notice of documents reflecting official acts of the executive branch of the United States, pursuant to Rule 201(b)(2). *Hite v. Wachovia Mortgage*, 2010 U.S. Dist. LEXIS 57732, at \*6-9 (E.D. Cal. June 10, 2010). Furthermore, judicial notice is appropriate for information obtained from government websites. *Paralyzed Veterans of Am v. McPherson*, 2008 U.S. Dist. LEXIS 69542, at \*17-18 (N.D. Cal. Sept.

1 personal residence located at 1725 Liberty Street, #5, El Cerrito, California 94530 ("the Property").  
 2 Compl. ¶ 10, Dkt. No. 1-2. Pursuant to a residential home loan, on October 7, 2004, Ms. Suelen  
 3 executed a Deed of Trust on the Property. *Id.* ¶ 11. The Deed of Trust listed World Savings Bank,  
 4 FSB as the beneficiary and Golden West as the trustee. *Id.*

5 In or around January 2008, World Savings Bank, FSB changed its name to Wachovia  
 6 Mortgage, FSB, which then merged into Wells Fargo Bank, N.A. in November 2009. Req. for Jud.  
 7 Not., Exs. A-B, Dkt. No. 9.

8 Beginning in 2009 and continuing thereafter, Ms. Suelen contends that she was negotiating  
 9 or attempting to negotiate a loan modification with Wells Fargo and that she and her agent  
 10 repeatedly contacted Wells Fargo by telephone, e-mail, and otherwise. Compl. ¶ 19. Ms. Suelen  
 11 alleges that she and her agent repeatedly inquired whether these loan modification negotiations  
 12 would hold off any foreclosure sale and, if not, then what would be the date of the actual trustee's  
 13 sale so that Ms. Suelen would be able to take necessary steps to protect her rights and save the  
 14 subject property. *Id.* Ms. Suelen alleges that Wells Fargo assured her that no foreclosure sale would  
 15 take place during these loan modification negotiations and that they would certainly apprise her of  
 16 any sale date should Wells Fargo reject the loan modification negotiations. *Id.* Ms. Suelen contends  
 17 that Wells Fargo subsequently rejected the loan modification negotiations without notice to her and  
 18 refused to divulge the trustee's sale date. *Id.*

19 On July 31, 2009, a notice of default was recorded against Ms. Suelen and the subject  
 20 property by acting trustee Cal-Western.<sup>3</sup> *Id.* ¶ 12. Cal-Western subsequently filed multiple Notices  
 21 of Trustee's Sale and Trustee's Deed Upon Sale. *Id.* ¶¶ 13-18. In response, Ms. Suelen filed five  
 22 bankruptcy petitions. Req. for Jud. Not., Exs. C, F, I, K, M, Q. However, the bankruptcy court

---

23  
 24 8, 2008) (court took judicial notice of information appearing on and printed from official  
 government websites -- citing numerous decisions from federal circuits and district courts all  
 25 approving judicial notice of information obtained from government websites).

26       <sup>3</sup> Although no party submitted a notice of substitution of trustee showing that Cal-Western took  
 27 over as trustee from Golden West before the notice of default was recorded, the substitution of trustee  
 (recorded on November 2, 2009, as Document No. 2009-0260810-00) shows that the substitution was  
 executed on July 30, 2009. Not. of Rem. at Ex. A.

1 eventually barred Ms. Suelen from filing any additional bankruptcy petitions for six months. Req.  
 2 for Jud. Not., Ex. P. Thereafter, Wells Fargo completed the foreclosure of the subject property on  
 3 July 19, 2012.<sup>4</sup> Compl. ¶ 18.

4 Ms. Suelen instituted this action in Contra Costa County Superior Court on December 20,  
 5 2012. Not. of Rem. at 2. Ms. Suelen brought the following causes of action against “all  
 6 defendants”: (1) wrongful foreclosure; (2) intentional fraud; (3) negligent fraud; (4) breach of  
 7 implied covenant of good faith and fair dealing; (5) intentional infliction of emotional distress; (6)  
 8 negligence; (7) violation of California Business and Professions Code § 17200, et seq; (8)  
 9 cancellation of instrument; (9) quiet title; (10) declaratory relief; and (11) injunctive relief. Compl.

10 On January 2, 2013, Wells Fargo and Golden West removed the action to this Court,  
 11 claiming diversity jurisdiction. Not. of Rem.; *see* 28 U.S.C. § 1332. Wells Fargo and Golden West  
 12 subsequently moved to dismiss Ms. Suelen’s Complaint on January 24, 2013. Dkt. No. 8. On  
 13 February 1, 2013, Ms. Suelen moved to remand this matter back to the Contra Costa County  
 14 Superior Court based on lack of complete diversity. Dkt. No. 11. Because the Court finds that  
 15 jurisdiction is lacking, it turns to the Motion to Remand first.

### 16 III. DISCUSSION

#### 17 A. Subject-Matter Jurisdiction

18 Federal courts are of limited jurisdiction, and have subject matter jurisdiction only over  
 19 matters authorized by the Constitution and Congress. *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S.  
 20 375, 377 (1994). Diversity jurisdiction requires all plaintiffs to have different citizenship from all  
 21 defendants and that the amount in controversy exceeds \$75,000. 28 U.S.C. § 1332; *Owen Equip. &*  
 22 *Erection Co. v. Kroger*, 437 U.S. 365, 373 (1978). “The strong presumption against removal  
 23 jurisdiction means that the defendant always has the burden of establishing that removal is proper.”  
 24 *Gaus v. Miles*, 980 F.2d 564, 566 (9th Cir. 1992) (internal quotations omitted). “Courts should  
 25 resolve doubts as to removability in favor of remanding the case to state court.” *Id.*

---

26                 <sup>4</sup> The trustee’s deed upon sale was recorded on August 9, 2012, with a sale date of July 19, 2012  
 27 and sales price of \$125,727.00. Compl. ¶ 18.

### 1. The Amount-In-Controversy Requirement

To determine the amount in controversy, the Court considers evidence “relevant to the amount in controversy at the time of removal.” *Valdez v. Allstate Ins. Co.*, 372 F.3d 1115, 1117 (9th Cir. 2004); *Sparta Surgical Corp. v. NASD*, 159 F.3d 1209, 1213 (9th Cir. 1998) (“[J]urisdiction must be analyzed on the basis of the pleadings filed at the time of removal without reference to subsequent amendments.”). When no amount is specified in the plaintiff’s complaint, the removing defendant has the burden of showing that the amount in controversy exceeds \$75,000. *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 404 (9th Cir. 1996).

In her Complaint, Ms. Suelen seeks, among other things, actual and compensatory damages, general damages, and punitive damages against each defendant, “in an amount according to proof.” Compl. at 38. Further, Ms. Suelen seeks a “judgment or decree establishing that she is the legal and equitable owner in fee simple of the subject property and that the defendants have no interest in the same.” *Id.* While this does not establish the amount in controversy with specificity, Ms. Suelen does not only seek damages. “In actions seeking declaratory or injunctive relief, it is well established that the amount in controversy is measured by the value of the object of the litigation.” *Cohn v. Petsmart, Inc.*, 281 F.3d 837, 840 (9th Cir. 2002) (quoting *Hunt v. Wash. State Apple Adver. Comm’n*, 432 U.S. 333, 347 (1977)). In actions to enjoin foreclosure sales, to quiet title, or to remove a cloud from title, the object of the litigation is the real estate itself. *Chapman v. Deutsche Bank Nat. Trust Co.*, 651 F.3d 1039, 1045 n.2 (9th Cir. 2011) (citing *Garfinkle v. Wells Fargo Bank*, 483 F.2d 1074, 1076 (9th Cir. 1973); *Ngoc Nguyen v. Wells Fargo Bank, N.A.*, 749 F. Supp. 2d 1022, 1028-29 (N.D. Cal. 2010) (“Numerous courts have held that, where a complaint seeks to invalidate a loan secured by a deed of trust, the amount in controversy is the loan amount.”) (collecting cases); see also *De Long v. Bank of America, N.A.*, 2012 WL 1498868, at \*4 (N.D. Cal. Apr. 27, 2012) (“[T]he amount in controversy was met because Plaintiff sought to quiet title and to cancel the Trustee’s Deed upon sale for the property, which was valued at \$214,000.”). Here, Ms. Suelen seeks to quiet title and cancel the deed of trust, and the value of her loan is \$264,000, see Compl. at 1, 38, so under the authorities cited above, the amount-in-controversy requirement is met.

1  
 2. The Complete Diversity Requirement

3 There is no dispute that Wells Fargo is a citizen of South Dakota and that Plaintiff, Golden  
 4 West, and Cal-Western are California citizens. Mot. at 12, Dkt. No. 11; Opp. at 6, Dkt. No. 16. Ms.  
 5 Suelen argues that the fact that she, Golden West, and Cal-Western are all California citizens  
 6 destroys diversity jurisdiction. Mot. at 2. However, Defendants argue that neither Golden West nor  
 7 Cal-Western's California citizenship defeats diversity jurisdiction because they are fraudulently  
 8 joined, or nominal, parties. Opp. at 6.

9 While diversity jurisdiction under 28 U.S.C. § 1332 ordinarily requires complete diversity of  
 10 the parties, removal is proper despite the presence of a non-diverse defendant when that defendant  
 11 was fraudulently joined. *Caterpillar Inc. v. Lewis*, 519 U.S. 61, 68 (1996); *McCabe v. Gen. Foods*,  
 12 811 F.2d 1336, 1339 (9th Cir. 1987) (a fraudulently joined defendant will not defeat diversity  
 13 jurisdiction). In the Ninth Circuit, if a plaintiff "fails to state a cause of action against a resident  
 14 defendant, and the failure is obvious according to the settled rules of the state, the joinder of the  
 15 resident defendant is fraudulent." *McCabe*, 811 F.2d at 1339. There is a strong presumption against  
 16 fraudulent joinder, and a defendant who asserts it "carries a heavy burden of persuasion."  
 17 *Lieberman v. Meshkin, Mazandarani*, 1996 WL 732506, at \*2 (N.D. Cal. Dec. 11, 1996) (citing  
 18 *Boyer v. Snap-on Tools Corp.*, 913 F.2d 108, 111 (3d Cir. 1990)). "Indeed, [a defendant] must show  
 19 to 'a near certainty' that joinder was fraudulent and that 'plaintiff has *no actual intention to*  
 20 *prosecute* an action against [that] particular resident defendant[ ].'" *Osorio v. Wells Fargo Bank*,  
 21 2012 WL 2054997, at \*2 (N.D. Cal. June 5, 2012) (quoting *Diaz v. Allstate Ins. Group*, 185 F.R.D.  
 22 581, 586 (C.D. Cal. 1998) (emphasis in original) (citing *Boyer*, 913 F.2d at 111)); *see also Lewis v.*  
 23 *Time, Inc.*, 83 F.R.D. 455, 466 (E.D. Cal. 1979), *aff'd*, 710 F.2d 549 (9th Cir. 1983).

24 "The defendant seeking removal to the federal court is entitled to present the facts showing  
 25 the joinder to be fraudulent." *McCabe*, 811 F.2d at 1339. A non-diverse defendant is deemed to be  
 26 fraudulently joined if, after all disputed questions of fact and all ambiguities in the controlling state  
 27 law are resolved in the plaintiff's favor, the plaintiff could not possibly recover against the party

1 whose joinder is questioned. *Kruso v. Int'l Tel. & Tel. Corp.*, 872 F.2d 1416, 1426 (9th Cir. 1989).  
 2 “In order to establish that there has been no fraudulent joinder, a plaintiff need only have one  
 3 potentially valid claim against a non-diverse defendant” to survive a fraudulent joinder challenge.  
 4 *Knutson v. Allis-Chalmers Corp.*, 358 F.Supp.2d 983, 993-95 (D. Nev. 2005) (collecting cases).  
 5 Accordingly, a defendant seeking removal based on an alleged fraudulent joinder must do more than  
 6 show that the complaint at the time of removal fails to state a claim against the non-diverse  
 7 defendant. *Burris v. AT & T Wireless, Inc.*, 2006 WL 2038040, at \*2 (N.D. Cal. July 19, 2006)  
 8 (citing *Nickelberry v. DiamlerChrysler Corp.*, 2006 WL 997391, at \*1-2 (N.D. Cal. Apr. 17, 2006)  
 9 (remanding action where defendant failed to demonstrate that the plaintiff would not be given leave  
 10 to amend to cure the pleading deficiency regarding the alleged sham defendant)). “Remand must be  
 11 granted unless the defendant shows that the plaintiff ‘would not be afforded leave to amend his  
 12 complaint to cure [the] purported deficiency.’” *Padilla v. AT&T Corp.*, 697 F.Supp.2d 1156, 1159  
 13 (C.D. Cal. 2009) (quoting *Burris*, 2006 WL 2038040, at \*2).

14 Here, the Court finds that Ms. Suelen has not sufficiently alleged claims against Golden West  
 15 or Cal-Western for wrongful foreclosure and quiet title. Courts in this district have uniformly held  
 16 that a plaintiff cannot state a claim challenging the foreclosure process where a foreclosure sale has  
 17 already occurred, as it has here. *See, e.g., Garbutt v. Adamarc Financial Co., Inc.*, 2011 WL  
 18 2784548, at \*2-3 (N.D. Cal. July 13, 2011); *Davenport v. Litton Loan Servicing, LP*, 725 F.Supp.2d  
 19 862, 877-78 (N.D. Cal. 2010); *Aguilera v. Hilltop Lending Corp.*, 2010 WL 3340566, at \*4-5 (N.D.  
 20 Cal. Aug. 25, 2010); *Atkins v. Litton Loan Servicing, LLP*, 2010 WL 3184350, at \*4 (N.D. Cal.  
 21 Aug.11, 2010). With respect to her claim to quiet title, Golden West and Cal-Western do not claim  
 22 any interest in the subject property. Thus, under California law, it is “obvious” Ms. Suelen cannot  
 23 now state a quiet title claim against them. *McCabe*, 811 F.2d at 1339.

24 But it is not so clear with respect to Ms. Suelen’s remaining claims. It is true that Ms.  
 25 Suelen’s allegations primarily focus on the conduct of Wells Fargo. It also is true that her  
 26 allegations concerning Golden West and Cal-Western primarily focus on their role as trustees.  
 27 Nevertheless, Ms. Suelen does bring all of her claims against “all defendants,” including Golden  
 28

1 West and Cal-Western. And, even if Ms. Suelen's allegations do not meet the necessary pleading  
 2 requirements now, Defendants have not shown, as they must, that she could not re-allege at least one  
 3 of them to do so. *Padilla*, 697 F.Supp.2d at 1159 ("Remand must be granted unless the defendant  
 4 shows that the plaintiff 'would not be afforded leave to amend his complaint to cure [the] purported  
 5 deficiency.'") (quoting *Burris*, 2006 WL 2038040, at \*2). In this circumstance, the Court finds that  
 6 Defendants have not carried their "heavy burden of persuasion," *Lieberman*, 1996 WL 732506, at  
 7 \*2, to show to "a near certainty" that joinder was fraudulent and that Ms. Suelen "has no actual  
 8 intention to prosecute an action" against Golden West and Cal-Western. *Diaz*, 185 F.R.D. at 586  
 9 (emphasis in original); *Osorio*, 2012 WL 2054997, at \*2. Accordingly, the Court concludes that  
 10 Golden West and Cal-Western have not been fraudulently joined and that Defendants' removal of  
 11 this action was improper.

12 **B. Motion to Dismiss**

13 Because the Court concludes that it does not have subject-matter jurisdiction over this  
 14 dispute (because there is no complete diversity), the Court does not address the merits of  
 15 Defendants' Motion to Dismiss.

16 **C. Request for Attorneys' Fees and Costs**

17 In her Motion, Ms. Suelen requests that the Court order the removing Defendants to pay her  
 18 costs and expenses incurred as a result of their improper removal. Mot. at 21. "Absent unusual  
 19 circumstances, courts may award attorney's fees under § 1447(c) only where the removing party  
 20 lacked an objectively reasonable basis for seeking removal. Conversely, when an objectively  
 21 reasonable basis exists, fees should be denied." *Martin v. Franklin Cap. Corp.*, 546 U.S. 132, 141  
 22 (2005); *Gardner v. UICI*, 508 F.3d 559, 560-563 (9th Cir. 2007) (defendant removed on the basis  
 23 that a defendant was fraudulently joined because all of the claims against him were time-barred;  
 24 court found that defendant "had an objectively reasonable basis for removal to federal court," and  
 25 the district court abused its discretion in awarding fees and costs to the plaintiff under 28 U.S.C. §  
 26 1447(c)). Here, the Court finds it was reasonable for Defendants to attempt removal based on Ms.  
 27 Suelen's Complaint as pled and their argument that Golden West and Cal-Western were not

1 involved in the foreclosure at issue. Therefore, the Court DENIES Ms. Suelen's request for  
2 attorneys' fees and costs.

3 **IV. CONCLUSION**

4 Based on the foregoing, the Court REMANDS this action back to Contra County Superior  
5 Court. The Clerk of Court shall close the file.

6 **IT IS SO ORDERED.**

7 Dated: April 1, 2013

8  
9   
Maria-Elena James  
United States Magistrate Judge

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

